

Report to: **Audit and Governance Committee**

Date of Meeting: 31 January 2019

Public Document: Yes

Exemption: None

Review date for release None

Agenda item: 12

Subject: **Review of the Local Code of Corporate Governance**

Purpose of report: The Council's Code of Corporate Governance, which sets out our overarching approach to our corporate governance arrangements, was adopted by Cabinet in December 2016 and is now due for review. It is a requirement of the Constitution that Cabinet consult with Audit & Governance in relation to the approval, implementation and monitoring of the Code of Corporate Governance. Having reviewed the Code, it is recommended to the Committee that they recommend to Cabinet to continue to use the current Code unchanged with a further review in two years' time.

Recommendation: **That the Committee recommend to Cabinet that the current Local Code of Corporate Governance should continue without amendment and be reviewed again in two years' time, unless circumstances require an earlier review.**

Reason for recommendation: The Council regularly reviews the policies, codes and procedures that govern the way we operate. The Code of Corporate Governance (see background link) provides the overarching framework for the Council's Corporate Governance. It was updated in December 2016 following revised guidance from CIPFA/SOLACE. It is not a standalone document but rather identifies the key principles that the Council agrees to follow in establishing our governance framework. It is supported by a number of other documents, being our key policies, which in combination seek to ensure that the Council has systems, processes, culture and values that we engage with and act by and are accountable in respect of. Ultimately the Code is about ensuring that the Council does the right things, in the right way for the right people in a timely, inclusive, open, honest and accountable manner.

The effectiveness of the Code of Corporate Governance is effectively monitored through a number of routes, including the production of the Annual Governance Assurance Statement which comes before this Committee for approval. Section 11 details other mechanism which contribute on an ongoing basis to monitoring the overall effectiveness. In that regard the role of both our internal and external auditors plays an important part and it should be noted that in the Healthy Organisation audit (reported to the June 2017 Audit & Governance meeting) the Council received 'high assurance' in relation to both the Corporate Governance and Financial Management themes.



There have been no concerns raised regarding the suitability or effectiveness of the Code of Corporate Governance and there has been no legislative or guidance changes that would necessitate any revisions being made. KPMG, as part of the formally auditing of the Council's accounts for 2017/18, considered the Annual Governance Statement and they found that it was '*consistent with their understanding and did not raise any issues*'.

It is therefore considered that the adopted Code of Corporate Governance continues to reflect the current standard as to what constitutes good governance and that the Council's approach remains relevant and effective. The monitoring processes identified in the Code will continue including the continued publication of the Annual Governance Assurance Statement.

For the above reasons it is recommended that the adopted Code continues to be of effect without amendment with a further review to be carried out by the Monitoring Officer in two years' time.

Officer:	Henry Gordon Lennox, Strategic Lead Governance and Licensing & Monitoring Officer hgordonlennox@eastdevon.gov.uk 01395 517401
Financial implications:	There are no direct financial implications.
Legal implications:	The Code accords with the CIPFA/SOLACE guidance. The Corporate Governance framework is a fundamental control element to the Council's activities. This document is the overarching document which sets out our overall approach to governance. It is supported and expanded upon by our key policies and the other monitoring activities set out therein. It is important that the Council has an up to date Code of Corporate Governance, not least because it helps inform the production of the statutory Annual Governance Assurance Statement but also because it helps demonstrate to the public that there are appropriate internal controls and accountability for actions. The review confirms that there are no amendments required to the Code and that it should continue to apply as adopted. The Council must have regard to it when formulating related policies or when considering governance related matters. Otherwise there are no legal implications arising.
Equalities impact:	Low Impact
Risk:	Low Risk
Links to background information:	<ul style="list-style-type: none">• Current Code of Corporate Governance
Link to Council Plan:	Encouraging communities to be outstanding and Continuously improving to be an outstanding council